THE GENDER GAP IN TECH & HOW TO FIX IT
Welcome

For the past 12 years, Women Tech Council has worked to accelerate the growth of the technology community by increasing the number of women in tech. By building impactful programs that propel the economic pipeline from high school to the boardroom, we are helping drive success for the entire technology sector.

As this report shows, having women in technology has direct economic impacts. Companies with women on teams and in leadership positions alongside their male counterparts see higher productivity and profitability, including revenue and profit, and increased overall collective intelligence. But attracting and retaining talented, qualified women requires more than broader recruiting efforts or competitive pay. This research was commissioned to specifically identify the areas that are making real impact in creating and accelerating diverse and inclusive workforces for women in technology companies with the goal of enabling all organizations to adopt and implement these behaviors.

We invite all members of the technology community to work to implement the impactful, collective approach identified in this report, and join us in our mission of driving growth for the entire technology sector through high-performance, inclusive environments.
The Women Tech Council (WTC) is a national organization focused on the economic impact of women in driving high growth for the technology sector with programs that propel the economic pipeline from K-12 to the C-suite. Through these programs, WTC offers mentoring, visibility, opportunities and networking to more than 10,000 women and men working in technology to create business environments focused on high performance, not just diversity, where men and women can succeed, and has activated more than 12,000 girls to pursue STEM fields. These programs propel individual careers and the talent pipeline by ensuring a strong, diverse, and entrepreneurial technology workforce.

Impact of Women

More than at any other point in history, women are making their mark on the labor force, and especially the tech industry. According to the Bureau of Labor Statistics, women now make up 47% of United States workers. These women are increasingly breaking down industry barriers by choosing careers in traditionally male-dominated sectors. A LinkedIn study found that in the last four decades, women have significantly increased their presence in medicine, construction, agriculture, public safety, architecture, physics, and in every STEM field. The study specifically highlighted increases in women leadership hires in tech industries.

These increases can be attributed to the remarkable contribution women have on the technology industry. Research shows that when women are included in a team, its collective intelligence rises. One survey found that “when a firm moved from no female leaders to just 30 percent women leadership, companies increased net revenue by 15%.” Another study revealed that “women-led private technology companies achieve 35% higher return on investment, and when venture-backed, bring in 12% higher revenue than male-owned tech companies.” Another report by MSCI analyzed U.S. companies over a five year period. They found that the companies “that began the period with at least three women on the board experienced median gains in Return on Equity (ROE) of 10 percentage points and Earnings Per Share of 37%.” While this point is impressive, it is even more dramatic when compared to the companies that did not have any female directors. These companies “experienced median changes of -1 percentage point in ROE and -8% in EPS over the study period.” In addition, gender inclusivity affects company reputation. “Companies with strong reputations have twice as many women in senior management as those with lesser-regarded reputations.” All of these factors significantly affect business profitability and market share.
Yet, even with these benefits and advancements, women are still grossly underrepresented in leadership and technology. Women account for “an average of just 16 percent of the members of executive teams in the United States.”8 This disparity is even greater in the tech industry. While making up almost half the U.S. workforce, women hold less than 20% of U.S. tech jobs.9 The issue is compounded when these dismal numbers are deemed inconsequential by executives. According to one study, “only 38% of U.S. companies set targets for gender representation.”10 If the gender inclusivity issue is not being recognized as a problem, it will definitely not be solved.

A popularly held opinion that limits gender inclusivity is that women are inadequately represented in tech due to a lack of interest and education in technical skills. To answer this issue, many organizations have worked to increase awareness and provide access to technical education for girls and women.11 To support these programs, hundreds of millions of dollars have been donated and designated to aid women in gaining technical skills.12 However, the belief that there is not a current pool of female tech talent is simply inaccurate. Women have made enormous strides in education. They are in actuality more likely to earn bachelor’s and master’s degrees over their male counterparts,13 and they are increasingly choosing to major in STEM disciplines, and specifically in technology. One study found that “young women today are 33% more likely to study computer science compared with women born before 1983,”14 further demonstrating not only the existence but growing nature of this talent pool.

The trouble for many women within the technology industry comes after graduation. The American Psychological Association found that women accounted for “more than 20 percent of engineering school graduates over the past two decades,” but that “nearly 40 percent of women who earn engineering degrees quit the profession or never enter the field.”15 Another study found that after about “12 years, approximately 50 percent of women had left their jobs in STEM fields—mostly in computing or engineering.” This rate of attrition in the tech industry is 30% higher than for women working in non-STEM industries.16

Traditional opinion would assume these women are leaving due to familial concerns. Data refutes this idea. An NBC News/Wall Street Journal Poll found that 49% of women who work say that “they work primarily because they are their family’s main breadwinner.”17 Statistics also show that 80% of women who leave their tech careers continue working.18 Given the fact that “every major occupational group had higher median wages in high-tech industries than in non-high-tech industries,”19 these women, including female breadwinners, who leave the tech industry will likely lose income.

Since research has shown that “family factors cannot account for the differential loss of STEM workers compared to other professional workers,”20 there must be some other reason for women to leave the tech industry. A growing amount of research is identifying the real problem—a lack of inclusivity in the workplace. Exit surveys from women tech workers illustrate this reality clearly. They cite “poor workplace climates and mistreatment by managers and coworkers”21 and dissatisfaction with “pay and promotional opportunities.”22
as main reasons for leaving their tech careers. These negative factors are directly related to corporate culture and a general lack of gender inclusivity. In her own tech work and as WTC founder, Cydni Tetro has become aware that “there is a distinct line of organizations that women will work for and organizations that they will not.”

In order to compete in the global economy, capitalize on talent and drive innovation, technology companies must work to combat and correct this culture crisis. If these culture problems were addressed, more women would continue in their tech careers. One women’s advocacy group pointed out that “simply reducing female attrition in science, engineering, and technology by 25% would add 220,000 people to the talent pool.” Since the cost of attrition for a single individual has been calculated to be 50-250% of an employee’s annual salary, creating more inclusive cultures is well worth the investment of time, attention and resources for every company.

“Poor workplace climates and mistreatment by managers and coworkers”. Dissatisfaction with “pay and promotional opportunities” are cited as main reasons for leaving their tech careers.

Creating & Measuring Inclusivity

Given the statistics on the attrition of women in tech, the underrepresentation of female talent in the tech industry can be attributed more to non-inclusive, caustic work environments than to an undersupply of women with tech skills. With over a decade of experience and study on women in the tech industry, WTC sought to determine the measurable practices that actively create inclusive corporate cultures within tech companies and enable them to successfully attract and retain lucrative female talent.
Pioneering efforts to motivate, and even mandate, inclusivity have been an important step in supporting and advocating for women in the workplace. The Equal Pay act of 1963 “prohibits sex-based wage discrimination between men and women.” While this statute is over half a century old, the movement for equal pay for women has only in the last decade gained momentum. Recent statistics found that “women in the U.S. who work full time, year round, are paid only 80 cents for every dollar paid to men.”

To combat this disparity, many groups are calling for greater wage transparency. During his presidency, Barack Obama signed an Executive Order “prohibiting federal contractors from retaliating against employees who choose to discuss their compensation,” the underlying consequence being that “workers have a potential way of discovering violations of equal pay laws and are able to seek appropriate remedies.” The American Association of University Women is currently championing the “Paycheck Fairness Act,” a congressional bill that would “close loopholes that have weakened the law over time to allow employers to justify paying workers unfairly.”

Other groups are working on different areas of this multifaceted inclusivity issue. To increase executive buy-in to gender inclusion, groups like Parity.org encourage corporations to make a commitment to “interview and consider at least one qualified woman for every open role, VP and higher, including the C-Suite and the Board.” The State of California took this idea further by passing California Senate Bill No. 826, which mandates that a minimum number of women be included on corporate boards. Companies have until the end of 2021 to comply.

In recent years, there have also been many valuable articles written to help executives and their tech companies create more inclusive cultures. These works encourage inclusivity by providing executives with beneficial insights on how to think about changing culture. Some common suggestions include:

- recognizing the potential for unconscious bias
- being inclusive in designing benefits and leave policies
- embracing differences
- relating company values to culture

All of this advice is important to help businesses become more aware of corporate culture and the universal need for businesses to promote gender inclusivity. In addition to social justice and decency, gender inclusion is necessary to any company’s bottom line. According to Tyler Moran, a co-author of the Peterson Institute for International Economics study on women in the workplace, “If you’re a firm and you’re discriminating against potential female leaders, that means you’re essentially doing a bad job of picking the best leader for your firm.”

Despite these great advances, none of these measures, laws or ideals have proven effective on their own. Even in isolation, some experts have questioned the effectiveness of some of these measures, such as committing to interview one female candidate. Creating cultures of inclusion that can attract and retain top female talent requires more than mere quotas or theoretical suggestions. This led WTC to search for more quantitative metrics for technology companies to follow and implement in order to create and propagate meaningful and effective gender inclusion throughout their organizations.
WTC has been engaging with women in the technology industry for over a decade. After conversations and research with hundreds of these women regarding their careers, skills and workplace experiences, some key themes on cultural inclusion emerged. With these themes in mind, WTC gathered and evaluated data across 10 different secondary data sets and found that the following four factors were the most influential in creating gender inclusivity in the workplace, and thus enabled tech companies to experience the net benefits of female talent to the organization’s profits and overall success.

Making Real Impact

Amid the numerous efforts organizations employ in an attempt to build or increase inclusivity, WTC determined that the following four metrics applied simultaneously are the strongest indicators and influencers on building a diverse and inclusive workplace. These were found to be insufficient in isolation, but when applied in unison, they created a meaningful, longer-lasting and more far-reaching impact on inclusivity than other efforts.

1. EXECUTIVE ENGAGEMENT

Active and visible support for gender inclusivity from the CEO and the executive team is integral to creating inclusion.
A recent study found that “...culture and leadership are inextricably linked. Founders and influential leaders often set new cultures in motion and imprint values and assumptions that persist for decades.” 37 A five-year study and survey on organizational transformations found that when senior leaders model the behavior changes they’re asking employees to make, transformations are 5.3 times more likely to be successful.” 38 WTC also found that companies that had active and visible support for inclusivity from the CEO and executive team were able to establish greater and more successful inclusion.

The executive team at Workfront, a tech company that provides a work management platform, is an example of a leadership team that has made executive-driven changes to create a more inclusive culture and workplace. The team wanted to ensure there were no gender related pay gaps within their company, or in relation to other tech companies. Despite the fact that initial findings showed very few, small discrepancies, they instituted a regular review process of internal and industry data to find and fix any compensation issues. The gender pay gap within Workfront’s employee compensation is now statistically insignificant.

Laura Butler, Workfront SVP of People and Culture, said, “For Workfront, it was all about exposing the data to people. I haven’t encountered one time when someone has hesitated about doing the right thing in fixing compensation and closing the wage gap.” 39 This type of success could not happen without executive leadership and decision-making power. Workfront’s commitment to gender inclusion has not harmed their position as a leader in their tech sector. Forbes has named them to its Cloud 100 list for the last three years in a row,40 a time period that eclipses their new compensation policy.

Adobe is also an exceptional example of gender-inclusive policies driven by the executive team. They established a liberal Maternity Leave Policy, which supports all employees, regardless of gender, who need to take time off from work. Notably, Adobe’s Paternal leave policy encourages all new parents of biological, adopted, or foster care children to take 16 weeks of paid leave. This generous policy is even more understanding of birth mothers who can receive, “through the combination of Medical and Parental Leave,” 26 weeks of paid time off.41 This policy exceeds the country’s federally-mandated Family and Medical Leave Act that requires companies to allow employees the ability to take twelve weeks of unpaid leave after the birth of a child.42 Adobe goes above and beyond this statute to provide its employees with more flexibility and ability to have a greater home and work balance.

Chief Human Resources Officer, Donna Morris, stated, “At Adobe, we often say that our most important assets leave the building at the end of the day. Our employees are our intellectual property and our future. Now we will better support all of them, across a spectrum of age, gender and experience, with a diverse mix of family needs and situations. The investment is unquestionably worth it.”43 Since Adobe is on track for being the next $10 billion company44, their executive-driven belief and investment in the employees is a philosophy all technology companies need to aggressively adopt.
Higher numbers of women in leadership reveal that a company has recognized the importance of gender inclusion and has a culture to promote women into leadership roles. An Accenture study found “workplaces in which leadership teams are held accountable for improving gender diversity are 63% more likely to have seen women in senior leadership increase.”

Pluralsight, a web-based training company, challenged current hiring norms by rewriting job postings to be more gender inclusive. Based on the Hewlett Packard internal report that stated that men will apply for jobs even if they only meet 60% of the listed criteria, while women will only apply if they meet 100% of the criteria, Pluralsight broadened its criteria parameters to emphasize experience. For example, instead of checklist items like, “3+ years of marketing experience,” Pluralsight will post “has executed email marketing campaigns.” They also run every job description through a gender decoder to reduce gender-specific terms. Just months after implementing these changes, Pluralsight’s applicant pool has become significantly more diverse and women are increasingly being hired for positions previously held by men. A company spokesperson said, “Pluralsight is committed to giving women more opportunities in a variety of positions. We recognize the power of having a variety of perspectives and abilities on our team. Diversity is what drives our company and our products. We’re excited to see the impact that increasing diversity has on our company.”

With their new hiring policies now fully established, Pluralsight has been able to achieve 42% revenue growth and a “seventh consecutive quarter of greater than 50% growth in B2B billings.” Inclusion does not come at the exclusion of increased profits.

Vivint, a smart home technology provider, focused on helping women prepare for and attain their desired careers and positions by implementing an internal mentoring program. After internal research showed that many women knew their desired career outcome or next promotion but wanted more guidance about the next steps or skills they would need to take that path, leaders redeveloped the company’s mentoring program to respond. Mentors and mentees are paired by a third-party software program based on the goals of the mentee, skills and experiences of the mentor, and any similar interests. This has helped the women participating in the program to feel more confident seeking mentors and asking for guidance in their careers. They are creating a culture of inclusion. In a recent survey, “90 percent of women at Vivint agreed with the statement, ‘My job makes great use of my talents and abilities.’ and 89 percent agreed with the statement, ‘My ideas are welcomed and acted upon.’”

Vivint is dedicated to maintaining a high standard of cultural inclusion, but they are also dedicated to being a clear leader in their industry. Forbes named Vivint Smart Home one of “America’s Best Employers for Diversity in 2019.” They were also named U.S. News & World Report’s “Best Home Security System of 2019.” Given the discussion of this report, these two honors seem more correlative than coincidental.
Active participation with the broad inclusion community leads to greater inclusion.

When companies work to learn from and share best practices regarding culture and inclusion, they have greater success creating more inclusive cultures within their own companies. The fulfillment of this metric increases the likelihood that a company is interested in and successful in implementing gender-inclusive practices.

Dell EMC, a computer products and services company, invests in several technology organizations that support women in tech, including WTC. They also work to build more gender-inclusive environments by supporting organizations that help more women enter STEM, such as Girls Who Code, GirlStart, and SheTech. This involvement has impacted employees at all levels, even company executives. When reflecting on his involvement with WTC as part of this community investment, General Manager of Dell EMC Vance Checketts said, “I’ve always seen women as important and equal partners in business and in life in general, but my experiences with WTC and its leaders have helped me elevate that to a position of thinking about women in the C-Suite that I don’t think I internalized before. That has helped me think about women not just as my peers, but as my leaders. That’s a powerful transformation.”

In 2018, Dell was awarded, “Best CEOs for Women” by Comparably, and the same year was named “Best Technology Company” by Fairygodboss, an organization that ranks workplaces for women. They were also included by Ethisphere in their “2019 World’s Most Ethical Companies Honoree List,” and were an Innovation Award recipient at CES 2018 for their ocean plastics program. These accolades show how the company’s focus on gender inclusion correlates with positive employee feedback and product innovation.

Lucid, a software company specializing in cloud-based visual productivity solutions, also invests in the technology community to help further gender inclusion. As part of their community investment, they support women’s organizations like Women in Sales, Tech Ladies and WTC. They also support gender inclusion by helping more women get into STEM through Code to Success. Kat Judd, VP of People Operations, represented the company when she said, “Women throughout our whole company make a huge impact. We, as a leadership team, greatly value and recognize the value that women bring to our company. Everything from leadership to their perspective to their execution and their innovation, and we are supportive and want to promote our women.”

Lucid products are “utilized in over 180 countries by more than 18 million users, including Google, Delta, Visa, Toyota, Proctor & Gamble, and 96 percent of the Fortune 500.” It was named one of Utah Business Magazine’s Fast 50 winners due to impressive year-over-year revenue growth. They have earned this success while creating a positive, diverse and inclusive culture. 94% of Lucid employees say the company is “a great place to work.”
Researchers found that traditionally “women who are qualified to lead simply don’t have the powerful backing necessary to inspire, propel, and protect them through the perilous straits of upper management. Women lack, in a word, sponsorship.” Finding a way for women to find internal support from peers and leadership is crucial in helping women move forward in their careers and increase their overall efficacy and value to their company.

eBay, a global leader in online commerce, has also been advocating for women in tech for over a decade. Former CEO John Donahoe, who initiated the increased inclusion measures said, “I joined this company to change the world. And we can’t do that unless we attract, develop, and retain the very best leaders, including the very best women leaders.” The company continues to be committed to gender inclusion.

eBay is one of the most gender-diverse tech companies in the industry, with women comprising 40% of all employees, 33% of leadership, and 23% in tech. This diversity is due in part to eBay’s decade-old Women’s Initiative Network, a group comprised of women leaders in the company. They come together at an annual summit to “identify actions that they and the company can begin taking to build greater career opportunities for women and enable eBay to build a more diverse global leadership team.”

As of March 2019, eBay is a 34.3 billion dollar company with 179 active buyers. Their inclusive philosophy and policies have no doubt helped them attain and retain the talented female employees and leadership needed to achieve this level of success.

Domo, a company that provides a cloud-based operating system, has also shown focused efforts in attaining and retaining female talent. One way that Domo is focused on the inclusion of women is their “Women at Domo” events. All women in the company, “from the executives to the interns” meet together “in an effort to build community and provide mentoring opportunities across the company.” With these events, Domo is helping to combat the gender gap issue Marian Wright Edelman so eloquently encapsulated, “You can’t be what you can’t see.” When women in a company come together to learn from and support each other, it positively affects individual careers and the success of the company.

Domo’s success as a company is well documented. For the past two years, Domo has been named on the “Deloitte’s Technology Fast 500, a ranking of the 500 fastest growing technology, media, telecommunications, life sciences and energy tech companies in North America.” This is a fitting accolade, as Domo grew 436% in the measured 5-year period. The company has been successful serving both its employees and its customers.
Conclusion/Recommendations

Given the presented data and outcomes, WTC recommends that tech companies make cultural inclusivity a priority. Gender inclusivity can be more than the exception or an outlier in the tech community. It can and will have to become the standard for any tech company that wants to compete in the industry long term. Tech companies have the amazing opportunity to accelerate gender inclusion and their profits by committing long-term to WTC’s defined metrics.

21Fouad, N.A. (2014, August 9)
29Take the ParityPledge® for gender parity at the highest levels of business. (n.d) In Parity.org ParityPledge® Section. From https://parity.org/take-the-pledge/